



WE CARE ABOUT FOOTBALL



21 March 2012

JOINT STATEMENT

1. The objectives of FFP are to:

- Improve the economic and financial capability of clubs;
- Increase transparency and credibility;
- Improve governance standards in football;
- Encourage clubs to operate on the basis of their own revenues;
- Introduce more discipline and rationality in club finances;
- Protect the integrity and smooth running of UEFA club competitions;
- Encourage responsible spending for the long term benefit of football;
- Protect the long-term viability and sustainability of European club football.

These are objectives which UEFA, as governing body for football in Europe, will promote in a balanced and proportionate way, acting in accordance with all applicable legal rules and, in particular, within the framework of EU law.

2. Indeed, the principles underlying FFP could serve, with adaptations, as an effective model for other sports facing similar financial challenges.

3. The principles of FFP have been developed in cooperation with, and are fully supported by, all football stakeholders. These principles will be implemented in a graduated manner, to allow clubs sufficient time to adapt to, and become familiar with, the applicable regulatory standards. In the application of these rules, it will be vital to have uniform standards of equal and non-discriminatory treatment of all football clubs.

4. The central principle of FFP (namely, that clubs should “live within their own means” or “break even”) is based on the notion that football related income should at least match

football related expenditure. No business can lay solid foundations for the future by continually spending more than it earns, or could reasonably expect to earn. Thus, the “break even” rule reflects a sound economic principle that will encourage greater rationality and discipline in club finances and, in so doing, help to protect the wider interests of football.

5. Similarly, the FFP rules that monitor and enforce the financial obligations that clubs owe towards other football clubs, towards employees (in particular, to players) to social and tax authorities and to other creditors are also important elements in the overall financial regulatory structure of football and are to be supported.
6. With a view to promoting positive long-term investments in football, it is nevertheless legitimate that certain categories of expenditure, directed to matters such as infrastructure improvement, youth training and development and community and social projects, should not jeopardize the ability of clubs to comply with the “break even” principle.
7. These objectives are also consistent with the aims and objectives of European Union policy in the field of State Aid.
8. The main idea behind State aid control is that European undertakings should compete on a level playing field, where no operator is given special advantages by any layer of the government. In this respect, the financial regulations by UEFA and the State aid rules by the Commission pursue broadly the same objective of preserving fair competition between football clubs.
9. There is a strong link between the FFP that introduce discipline and rationality in club football finances, and the State aid rules that prevent unauthorised public interventions, which very often concern football clubs in financial difficulties resulting from the lack of sound management of clubs’ finances. Given that the FFP rules impose stricter financial management of football clubs, they are likely in the longer run to lower or eliminate the need for State subsidies for a number of clubs.
10. FFP and State Aid policy are also consistent insofar as each legal framework provides for specific treatment in the case of expenditure directed towards matters such as youth training and development, social and community projects and investment in infrastructure, as shown by the recent Commission's favourable decisions concerning aid to amateur sports and youth teams in France and the support of sports infrastructure in Hungary.

11. Another issue of common concern is whether fiscal treatment of professional football clubs differs from the treatment of other economic actors with the same legal status. In this respect, a more equal tax treatment of football clubs would also promote a more level playing field.
12. However, the issue raising most concern is the high and still increasing indebtedness of first league professional football clubs. This has actually inspired UEFA to set up its FFP rules. From the State aid point of view, there is a significant risk that football clubs will increasingly apply for financial help to the national, regional, or local public authorities in order to be able to continue playing professional football.
13. When assessing the compatibility of aid to undertakings facing financial difficulties one of the key factors that the Commission takes into account is whether and how the undertaking in question implements compensatory measures in the interest of fair competition. Given the specificity of the sports sector, it is not always straightforward to envisage such type of potential compensatory measures for football clubs. Consequently, we would welcome the opportunity of exchanging views on that with experts from UEFA.
14. This joint statement forms a basis for further cooperation between UEFA and the Commission and discussions on issues including the fiscal treatment of clubs (see point 11) and compensatory measures that can be requested from clubs receiving rescue and restructuring aid from public authorities (see point 13) with a view to promoting fair competition between football clubs.